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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Court battle: IBM called in for testimony

By GARY LEVIN and JON LAFAYETTE

IBM Corp. executives have been asked to give live testimony this week in the court fight between breakaway agency Lord, Einstein, O'Neill & Partners and WPP Group.

The two other former Lord Geller, Federico, Einstein clients that have moved business to Lord Einstein—WNBC-TV and *The New Yorker*—also have been subpoenaed for depositions and possibly live testimony for this week's court proceedings.

See Lord Einstein's suit (P. 92) and new WPP buy (P. 93).

In those proceedings, WPP will try to prove the breakaway executives solicited Lord Geller clients before leaving to form the new shop, backed by Young & Rubicam.

Two IBM executives already have filed depositions. On April 22, lawyers took depositions from Darby Coker, who had been advertising director for IBM's Information Systems group before being transferred in February, and John King, director of advertising operations for IBM Corporate Advertising Programs.

This marks the first time clients have been drawn directly into proceedings of the most controversial court case to hit the agency business in more than 30 years.

But the court proceedings haven't discouraged other advertisers from approaching Lord Einstein, as WPP Group Chief Executive Martin Sorrell had hoped.

Saab-Scania of America braved the legal mess last week to move its $25 million-to-$30 million import car account to the new agency, from Ally & Gargano, New York.

Saab became the first Lord Einstein account that wasn't previously at Lord Geller, and it provides a major boost to the fledgling agency.

"It's more than billings and more than a big account," said Lord Einstein Chairman-CEO Richard Lord. "It's [the fact] that weeks after leaving Lord Geller, we have an auto account. And the fact that it's an auto account makes a good statement, because that's been our frustration for the last five years."

He was referring to Ford Motor Co. conflict problems when Lord Geller was owned by J. Walter Thompson Co. and, later, WPP Group, which acquired JWT and Lord Geller last year.

Last week, Lord Einstein filed a countersuit alleging that WPP's Mr. Sorrell "is now out for vengeance." The countersuit charges WPP with "hounding" the breakaway executives and states: "Intimidation—that is what Sorrell's case is all about."

At this week's hearings on

(Continued on Page 93)

Last Minute News

Louisiana ad tax surfaces

BATON ROUGE, LA.—State Rep. John Travis (D., Jackson) last week rocked Louisiana's ad industry by introducing a bill imposing a 4.5% tax on ad services as well as time and space. The legislation was a surprise because of a 1987 law specifically exempting advertising from a services tax. Florida last year enacted a 5% tax on advertising and other services but later repealed it. Louisiana is looking at a services tax to help offset an expected $700 million deficit. Industry sources believe the Legislature will reject the bill. Gov. Charles "Buddy" Roemer in the past has denounced an ad tax. Public hearings are expected after the Legislature's May 3-9 recess.

'Cosby' rerun sale near

NEW YORK—General Foods, Procter & Gamble and an unnamed TV syndication company are said to be close to an agreement for buying all national spot time

(Continued on Page 8)

Will Merrill Lynch miss Larry Speakes? Page 6

Should Leona Helmsley lie low in ads? Page 91

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Awards

Creatives defend pursuit of prizes

By JENNIFER PENDLETON

April 4, 1968.

The date is known for the assassination of the Rev. Martin Luther King Jr., not the staging of an annual Andy Awards presentation in New York.

But John Noble, at the time a top creative executive at Doyle Dane Bernbach, remembers that date for both reasons. On the day the nation suffered through the death of the civil rights leader, a TV commercial Mr. Noble and his colleagues had created for Volkswagen was up for an Andy Award.

Actor Paul Newman was a presenter at the gala, Mr. Noble recalls, when the shocking news of the Rev. King's murder was announced. The crowd became distraught; many people left.

But not Mr. Noble and his agency associates. "Everybody left the room except us. We were caught up totally in winning that award," he says.

Now president of John Noble Advertising, San Francisco, Mr. Noble is embarrassed at his reaction 20 years ago. But he relates it because it says not about the importance agency executives on winning creative awards.

It's no wonder. In many ways creative awards have become the means by which creative executives—and agencies—build careers and make reputations. They've even damaged some reputations as overzealous individuals or agencies created campaigns solely for the award contests *(see related story on Page 94)*.

For creative people, the rewards can be enormous: from awards flow promotions, money and visibility.

Young copywriters and art directors, poorly paid and toiling in obscurity, can

...ntinued on Page ...

Illustration by Mark Frueh

Northwest: Blame Philip Morris, too

An Advertising Age roundup

It's not just R.J. Reynolds Tobacco Co. but also rival Philip Morris Cos. that caused Northwest Airlines to pull its no-smoking advertising from Saatchi & Saatchi DFS Compton last week.

Northwest VP-Marketing A.B. "Sky" Magary attributed the move to "continuing and unrelenting pressure" on the airline and the agency in a "vilification campaign" by the two tobacco companies.

Philip Morris applied the most pressure on Northwest, Mr. Magary claimed. He said PM barraged the airline with disruptive phone calls to its reservation system and sent more than 6,900 mailgrams protesting the smoking ban on the airline's flights.

The reassignment of the $5 million no-smoking campaign to Kolesar & Hartwell, Minneapolis, came three weeks after RJR Nabisco pulled Nabisco cookie and candy brands from S&S DFS after the Northwest effort broke.

Northwest said it was trying to spare S&S DFS more pressure by distancing the New York agency from the spots. Mr. Magary said S&S hadn't requested the action but had accepted Northwest's suggestion. "We suggested that perhaps we should do this to solve problems they were facing, but it was our decision," he said.

Asked why Northwest would move the account after S&S already had lost the RJR Nabisco business, Mr. Magary hinted a Saatchi agency was in danger of losing more business.

Philip Morris could exert pressure on Saatchi-owned Backer Spielvogel Bates, which handles PM cigarettes and its Miller Brewing Co. subsidiary.

BSB executives, however, denied that PM had expressed any discomfort with the agency because of the Northwest campaign.

"We are extremely disappointed that a reactionary faction of the tobacco industry continues to put literally dozens of Saatchi & Saatchi professional careers in jeopardy," Mr. Magary said in the airline's official statement.

Mr. Magary said Northwest will continue to use the spots developed by S&S DFS. Kolesar & Hartwell, which handles the airline's trade and cargo advertising, will handle further media buying and any new commercials.

Sources said it was unlikely that Northwest's move would placate RJR Nabisco and open the door to a reconciliation with Saatchi. Some observers believe RJR Nabisco will keep up the pressure on the agency until all of Northwest's $50 million business is gone from Saatchi & Saatchi. The agency continues to handle some of RJR's international business.

"All I know is that it appears to only be the tip of the iceberg," Mr. Magary said. "If S&S wants to talk about it, it is up to them. It is fair to say the pressure has been continuing and unrelenting."

Sources said RJR could decide as early as this week how it will reassign the brands S&S DFS had handled, including Oreos, Fig Newtons and LifeSavers. Front-runners are said to be agencies already affiliated with RJR: FCB/Leber Katz Partners and Lowe Marschalk. There are reports that LM's parent, Interpublic Group of Cos., is trying to steer some of the business to another one of its agencies, Lintas:Worldwide, as well.

Northwest's Mr. Magary said the mailgrams he had seen, sent to employees and suppliers, were at the urging of "top management at Philip Morris." The mailgrams were signed by PM USA President Frank Resnick.

PM declined to comment on Northwest's accusations.#

Ira Teinowitz in Chicago and Jon Lafayette, Gary Levin and Judann Dagnoli in New York contributed to this story.

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Gillette sharpens its global strategy

By PATRICK McGEEHAN

ANDOVER, MASS.—Beleaguered Gillette Co., which so far has survived attacks on its independence, is planning a new global marketing strategy for many of its products.

The first new global product, launched simultaneously in North America and western Europe, will be a "revolutionary" shaving system, said Derwyn Phillips, vice chairman, Gillette North Atlantic, speaking at the company's annual meeting last week.

The product, which remains a mystery even though it's been talked about for months (AA, Aug. 24), will be introduced with nearly identical packaging and advertising in all markets.

The launch will take place late next year, followed by rollouts in other markets, probably including Japan and Australia, Mr. Phillips said.

Global marketing is part of what Mr. Phillips described as "our mission to become the premier global marketer of quality, added-value personal-care and personal-use products."

In 1984, Gillette took a hard look at its 800 products in more than 200 countries with an eye toward coordinating its marketing efforts regionally, and then globally. Now international is getting even more scrutiny as the company benefits from the dollar's decline overseas.

Ironically, it was Gillette's strong international capabilities that first made the company an attractive takeover candidate to Revlon Group Chairman Ronald Perelman two years ago.

Now, before Gillette's manage-

(Continued on Page 93)

Waxenberg to head 'GH'

Hearst shuffles

By PATRICK REILLY

NEW YORK—The top-level shuffle that put Alan Waxenberg in charge of *Good Housekeeping* last week gives the Hearst Magazines book a publisher with strengths in merchandising and "value-added marketing" at a time of intense ad-rate competion.

A. Waxenberg

Hearst Exec VP-Group Publishing Director Claeys Bahrenburg put former Time Inc. publishing executive Daniel Zucchi in Mr. Waxenberg's former slot as publisher of Hearst's *Redbook*.

The moves are the first top business-side management changes made by Mr. Bahrenburg since he took over *GH*, *Redbook* and five other Hearst titles last July. *GH* is the biggest title—in ad pages and revenue—reporting to Mr. Bahrenburg.

The shift of Mr. Waxenberg, 53, to *GH*, replacing Hearst veteran Louis Porterfield, 60, who's retiring, is part of a strategy to resist the ad-rate discounting that has swept the Seven Sisters women's service publishing field.

"Under Alan, *Good Housekeeping* will get a lot more visibility and articulation of its assets," Mr. Bahrenberg said. "He's strong in the marketing and promotion area.

"It's gotten so competitive that in the next five years there just may be fewer of the Sisters around. With the heavy discounting contin-

(Continued on Page 93)

Gap Inc. cuts short its foray into 'Trips'

SAN BRUNO, CALIF.—Gap Inc.'s Banana Republic last week folded *Trips* magazine after publishing only one issue. But the publishing rights could wind up in the hands of another magazine publisher, possibly a foreign one.

A source within Gap said they "expect Gap to sell the magazine should an offer be made."

A story on *Trips*, which won critical praise for its gritty, freewheeling look at travel and tourism, appears in ADVERTISING AGE's Special Report *(Page S-2)*.

The story went to press before last week's announcement.#

Burger King makes gains in awareness

By SCOTT HUME

The good news for Burger King Corp. is that new agency N W Ayer's controversial "We do it like you'd do it" campaign almost made the top 10 in unaided recall in last month's adWatch survey.

The bad news is that Burger King's share of "first mentions"—the first spots respondents cite when asked which fast-food advertising comes to mind—declined in March compared with the February survey.

To give it its due, Burger King's new advertising finished 11th when the 1,000 adults polled were asked to name the first advertising that came to mind from all they had heard, seen or read in the previous 30 days.

That's much better than in the February survey, when previous agency J. Walter Thompson USA's "Best food for fast times" advertising tied for 35th place in unaided recall.

But after the protracted search for a new agency and after all the hoopla that attended its unveiling of Ayer's creative and its return to the flame-broiling positioning, Burger King certainly hoped for a better, faster reception.

It also hoped for better results when consumers were asked which fast-food advertising they recalled. They couldn't have expected to outpoll McDonald's Corp. No other chain has done that in the six years the monthly adWatch survey has been conducted.

True to form, McDonald's placed first with 45.4% of first mentions in the March survey, compared with 43.5% in February.

New York-based Ayer's "We do it like you'd do it" campaign came to mind first for 12.4% of respondents, compared with a 13.3% share for "Best food" in February. Despite the initial blitz of 60-second commercials that accompanied the campaign's Feb. 29 debut, reaction to the new campaign seems to be "What new campaign?"

Burger King this month already has retooled the effort, kicking it into a higher gear with commercials claiming its Whopper is preferred over McDonald's Big Mac in national taste tests.

Perhaps so, but in national advertising recall tests, Burger King still is No. 2.

Wendy's International's "Hamburger A" campaign remained No. 3 in March with 8.3% of first mentions, compared with a 9% share in February.

What did make the top 10 in unaided recall (in other words, regardless of product category) again last month was political advertising, which rose to the No. 5 spot from No. 10 in February.

Back in the No. 1 slot last month was the California Raisin Advisory Board, whose advertising now has ranked among the 10 best-recalled for 18 consecutive months. February's best-recalled advertising—for Coca-Cola Co.—dropped to the No. 7 spot last month.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind overall and in specific product categories.

In another significant change, Apple Computer's advertising suffered its first awareness decline in several months. In March, Apple got 29 [illegible] of first mentions in the computer category, compared with a 32.1% share in February.

Despite the addition of Alan Alda, IBM Corp.'s advertising wasn't a heavy beneficiary of that slippage. Big Blue received 17.7% of first mentions in March, vs. 17.2% in February.

Radio Shack was third with 2.4% last month, compared with 2.6% the previous month.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in March

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 3/88	2/88	Advertiser	Agency
1	2	California raisins	Foote, Cone & Belding
2	5	Pepsi-Cola	BBDO Worldwide
3	6	McDonald's	Leo Burnett USA
4	8	Ford	J. Walter Thompson USA
5	10	Political ads	Various
6	3	Chevrolet	Lintas:Campbell-Ewald
7	1	Coca-Cola	McCann-Erickson
8*	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
8*	—	Want ads/classified	Various
10	9	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates

* indicates a tie

Photographer saw role for 'guy in jammies'

B&H ads to change?

By JUDANN DAGNOLI

If you notice some subtle changes in Benson & Hedges advertising, don't think the "For people who like to smoke" campaign is, well, going up in smoke.

The most talked-about cigarette ad campaign in recent years is undergoing some creative reinterpretation.

Denis Piel, the Australian photographer and director who shot most of the pictures used in the 18-month-old campaign created by Wells, Rich, Greene, New York, is no longer working on the account.

Sources close to the campaign said another photographer is taking pictures for client approval.

Mr. Piel won't say why he isn't working on the campaign anymore, but he did say "the direction [of the campaign] is probably changing. . . . We [Mr. Piel and the agency] got to a point where we disagreed. . . . What I was doing and what they wanted was something else."

WRG executives said the campaign is only being "refreshed" with "new pools" of photos and no changes in the B&H ads are under way.

Mr. Piel did shed some light on the mystery behind the photos. When he shot the ads, he had definite roles in mind for each subject. "I tried to give everyone a role or let them create them," he said.

Much of the advertising has been based on how the subjects related to each other. Mr. Piel first cast some, for example, as siblings. But if they interacted better as lovers, that's what they became.

As for the mysterious man in pajamas, the ad that has drawn the most attention, Mr. Piel said his interpretation is that someone sick at home comes out from his bedroom, curious about noise in another room. The noise, he discovers, is his family and friends having brunch.

Cast with models, actors and some "real people," said Mr. Piel, the ads were shot all over, including Aspen, Colo.; Florida; Los Angeles; New York; and San Francisco.

Dick Hopple, WRG Worldwide president, noted that more than one photographer was used for the 35 shots in the campaign, but he refused to name the others.

The agency "never had any intention of shooting with just Piel," Mr. Hopple said, noting that new work will also be shot by more than one photographer.

It's unlikely the ads will change much, since the advertising has achieved its goal: It's being noticed.

The attention-getting campaign represents a turnaround for WRG, which almost lost Philip Morris Cos.' $55 million-plus B&H account in 1986. Back then, brand sales had shrunk by about $100 million, due to an image problem created by an aging consumer base.

WRG held onto the assignment, promising to attract younger, upscale smokers, an enormous challenge in the declining high-quality cigarette segment.

Although PM didn't discuss specific results of the campaign, it's believed the advertising has partly succeeded in that goal.

No one at the agency wanted to interpret the campaign's photographic series, saying its appeal is that people create their own stories behind the pictures. "There is no strict interpretation," Mr. Hopple said.

Mr. Piel said he was contacted two years ago to start the project. Working directly with WRG Chairman-CEO Mary Wells Lawrence, Vice Chairman Charlie Moss and Exec VP-Creative Director Ron Albrecht, he was asked to "explore ideas of when people smoke."

Mr. Piel said he shot his photos with a "Big Chill" effect in mind.#

AA revises report

ADVERTISING AGE's 1988 Agency Income Report will contain a significant change in the way media allocations by the Top 500 agencies are reported. The questionnaire's media breakout section will include a new listing, Sunday Magazines (Nationally Syndicated & Independent).

AA Editor Fred Danzig said the clarification is designed to remove ambiguities that resulted when only magazine spending and supplement spending breakouts were requested. The ambiguities concerned allocations to Sunday magazines by agencies responding to the questionnaire.#

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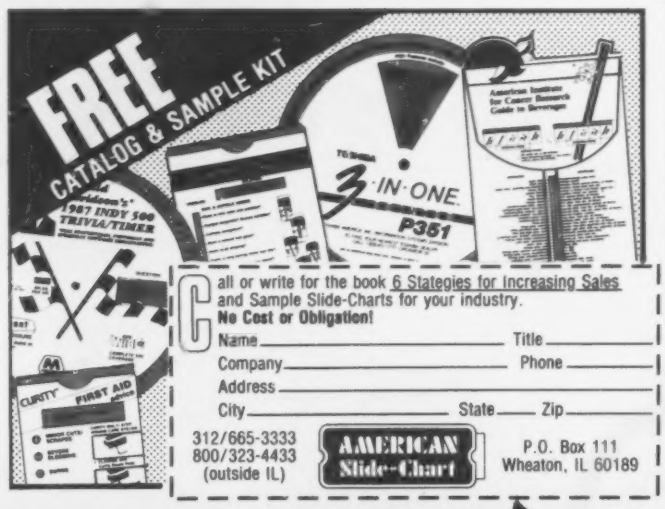

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Data bank — Travel Marketing

Trends in advertising expenditures for major travel categories: 1982-1986

(in millions)

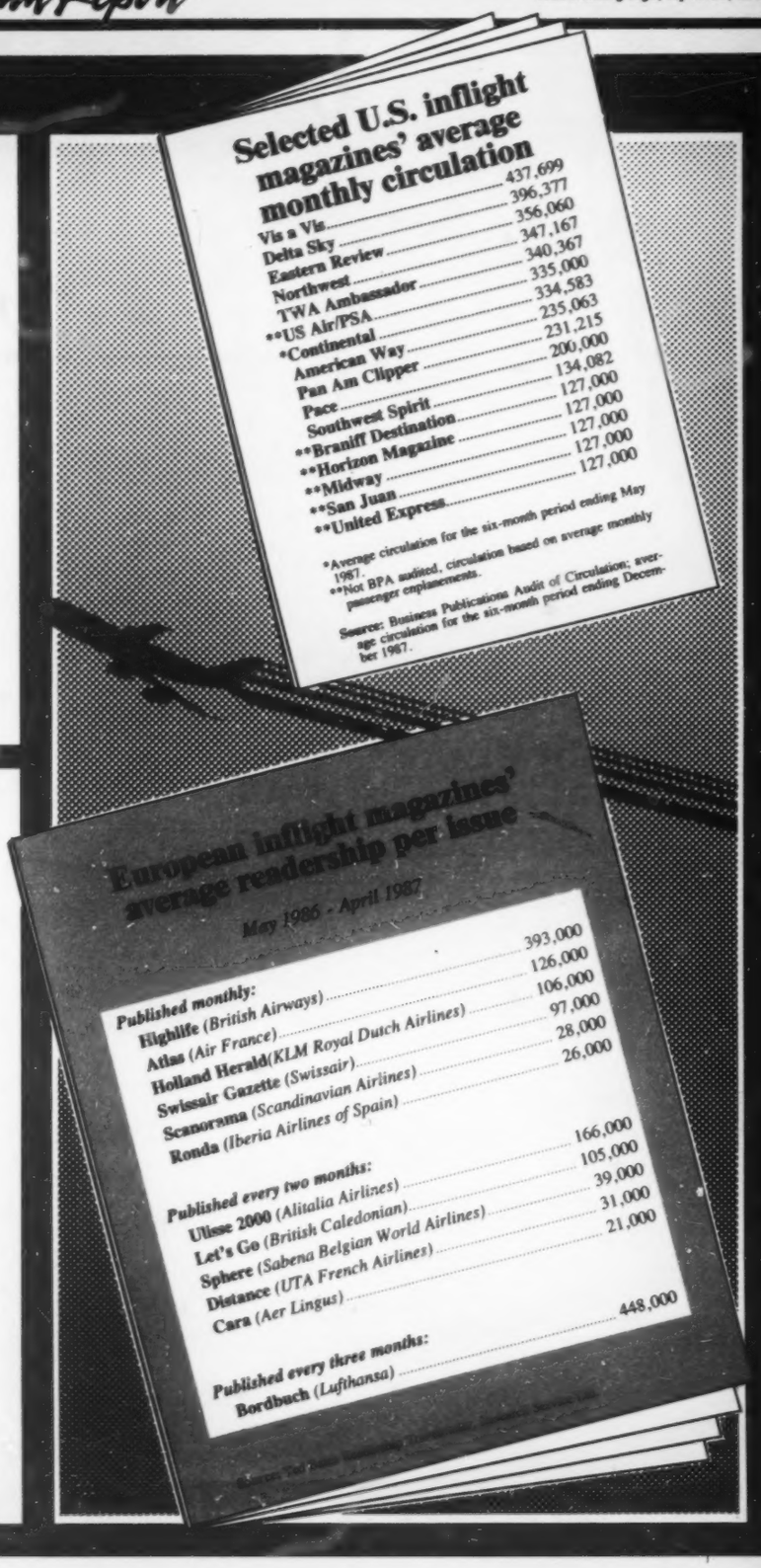
	1982	1983	1984	1985	1986
Airlines					
U.S. flag	$420.4	$457.4	$526.7	$579.8	$624.9
Foreign flag	53.7	60.8	72.5	75.1	95.0
Total	474.1	518.2	599.2	654.9	719.9
Cruise lines	74.2	90.7	110.3	126.4	127.3
Domestic destinations					
States (of USA)	31.0	27.5	39.9	51.3	66.9
Other	17.3	24.3	28.9	29.7	33.9
Total	48.3	51.8	68.8	81.0	100.8
Foreign destinations					
Foreign countries	36.6	37.2	57.2	52.6	67.0
Canadian provinces	7.8	8.9	9.9	10.5	10.4
Other	1.3	2.3	3.8	1.7	2.1
Total	45.7	48.4	70.9	64.8	79.5
Grand total	642.4	709.1	849.1	927.1	1,027.7
Annual % increase	19	10	20	9	11

Source: Ogilvy & Mather: Trends in Travel & Tourism Advertising Expenditures

Media distribution for travel & tourism advertising: 1982-1986

	1982	1983	1984	1985	1986
U.S States					
Magazines	32%	31%	29%	27%	27%
Newspapers	13	17	15	14	17
Outdoor	1	1	1	2	1
Radio	10	10	14	13	11
Television	44	41	41	44	44
Foreign countries					
Magazines	45	44	40	37	31
Newspapers	39	38	24	30	25
Outdoor	-	-	-	-	6
Radio	4	4	8	8	2
Television	12	14	28	25	36
U.S. & foreign flag airlines					
Magazines	6	6	7	8	7
Newspapers	45	45	42	43	45
Outdoor	3	3	3	2	2
Radio	19	18	17	8	19
Television	27	28	31	29	27
Cruise lines					
Magazines	11	12	12	15	16
Newspapers	80	81	80	72	71
Outdoor	-	-	-	1	-
Radio	1	1	1	2	1
Television	8	6	7	10	12

Source: Ogilvy & Mather: Trends in Travel & Tourism Advertising Expenditures


Selected U.S. inflight magazines' average monthly circulation
Vis a Vis 437,699
Delta Sky 396,377
Eastern Review 356,060
Northwest 347,167
TWA Ambassador 340,367
**US Air/PSA 335,000
*Continental 334,583
American Way 235,063
Pan Am Clipper 231,215
Pace 200,000
Southwest Spirit 134,082
**Braniff Destination 127,000
**Horizon Magazine 127,000
**Midway 127,000
**San Juan 127,000
**United Express 127,000
*Average circulation for the six-month period ending May 1987.
**Not BPA audited, circulation based on average monthly passenger enplanements.
Source: Business Publications Audit of Circulation; average circulation for the six-month period ending December 1987.
European inflight magazines' average readership per issue
May 1986 - April 1987
Published monthly:
Highlife (British Airways) 393,000
Atlas (Air France) 126,000
Holland Herald (KLM Royal Dutch Airlines) 106,000
Swissair Gazette (Swissair) 97,000
Scanorama (Scandinavian Airlines) 28,000
Ronda (Iberia Airlines of Spain) 26,000
Published every two months:
Ulisse 2000 (Alitalia Airlines) 166,000
Let's Go (British Caledonian) 105,000
Sphere (Sabena Belgian World Airlines) 39,000
Distance (UTA French Airlines) 31,000
Cara (Aer Lingus) 21,000
Published every three months:
Bordbuch (Lufthansa) 448,000

Magazines

(Continued from Page S-2)

seriously lacking. Then, after pointing out severe pollution in Rio de Janeiro, the ad agency representing Varig Brazilian Airlines pulled its ads.

One of the touchiest bits of reporting came in *CNT's* February issue in a report on 22 cruise liners that failed their public health tests. On the list of failures was Royal Viking Line's "Royal Viking Sea." Only seven pages away stood a spread ad from Royal Viking.

Neither Royal Viking nor any other cruise line has pulled its ads, and Mr. Galotti claims "heads of cruise lines heralded what we were doing. It was newsworthy."

T&L's Mr. Berrien says the Royal Viking article should "make advertisers a little nervous." He adds, "I don't see how they will be able to build travel ad pages with their acerbic journalistic approach."

Mr. Galotti justifies *Conde Nast's Traveler's* hard-headed approach, and takes direct aim at *Travel & Leisure* and other travel magazines. "We have stirred things up and elevated the level of travel publishing," says Mr. Galotti. "I've watched the competition, and we've raised the expertise."

But *Travel & Leisure's* Mr. Berrien says Conde Nast has nothing on his magazine, and points to Editor Pamela Fiori's recently published reservations about Tahiti as a travelers' paradise.

"She says it's not a paradise but then she moves on. She's objective without trashing the place," says Mr. Berrien. "We haven't been looking at the travel world with rose-colored glasses. We wouldn't have survived this long if we were snowing people."

Channel

(Continued from Page S-8)

ad programs together. We even do our own video productions. We produced 140 videos for Travel Channel clients last year."

The Travel Channel produces anything an advertiser might need to promote its product, be it a travelogue or in-studio commercial. Production costs for a three-to-five minute video are about $10,000, while ad rates vary between $300 to $950, depending on daypart and length of commercial. Two-minute videos can cost as much as $1,900 to air during prime time.

Latest advertisers to sign on include MasterCard International, Japan Air Lines, Sears, Roebuck & Co. for its Discover Card, and Walt Disney World Co.

The next step, according to Mr. Browsh, is to improve the programming. It currently programs a mix of travel information and entertainment shows with offers of travel bargains.

"We won't get something like 'National Geographic' but we'd like to do things like that," Mr. Browsh says.

MARKETING TO HISPANICS

Perspectivas

By Ed Fitch

STATION BREAKS

■ First quarter figures end any speculation about the value of Hallmark Cards' decision to get into Spanish-language broadcasting.

Sales revenue at **Univision Station Group** was up more than 20% in first quarter, 1988, "performing as we had predicted," said Bill Stiles, who is managing **Univision Holdings** while the pieces of the acquisition fall into place.

"To be honest, we do not have our hands completely around the network yet in terms of monitoring expenses and revenues, but we expect it to be close to that [20%] figure as well," he said.

The network also has boosted its penetration to 83% of U.S. Hispanic households by adding three affiliates in Mexican border markets.

XEWT, Tijuana; **XHBC**, Mexicali, and **XHAB**, Matamoros—the network's first VHF affiliates—reach San Diego; Yuma, Ariz., and McAllen-Brownsville, Texas, respectively. The stations will carry 32½ hours of network programming and add 317,500 Mexican households to Univision's almost 4.7 million U.S. household coverage.

■ **Telemundo Group** keeps racking up new affiliates. Having closed its acquisition of **KTMD-TV,** Houston, the network should have an Albuquerque affiliate by June, one in Dallas by November and another in San Antonio by yearend.

■ **Katz Hispanic Radio** has performed the first analysis of radio station formats. Based on the 81 stations rated by **Arbitron** last fall, the leading format is contemporary international hits, featured on 43% of stations. Ranchera/nortena follows with 19%, ranchera/contemporary with 12%, top 40 Spanish with 9% and Spanish news/contemporary music with 5%.

Ranchera/nortena pulled the highest listening time among adults, however, with an average of 24½ hours weekly. Contemporary international hits followed with 23¼ hours, top 40 Spanish with almost 21½ hours, ranchera/contemporary and Spanish news/talk with almost 13¼ hours, and Chicano news/contemporary music with 12½ hours.

■ Cinco de Mayo, celebrating Mexico's independence from France, is less than two weeks away and the Los Angeles TV stations are designing local events to win attendees and attract sponsors.

"This isn't centralized like [Miami's] Calle Ocho. There will probably be about 20 separate celebrations spread out all over the city," said Jon Yasuda, national sales manager at **KMEX-TV**.

On May 1 KMEX will orchestrate a concert in Huntington Park, adding another element to the Macy's-like performing parade it got off the ground last year. It will air the parade live and broadcast the concert a week later when rival **KVEA-TV** has scheduled its own festivities at Plaza Olvera in downtown Los Angeles. KVEA will engineer civic ceremonies on May 5, followed by entertainment from noon to 10 p.m. on May 7 and 8; a one-hour special will air on May 14 over all **Telemundo Group** stations.

KVEA is expecting 150,000 attendees over the three days, the same number KMEX expects to attend the parade. Mr. Yasuda projects 75,000 may attend the concert.

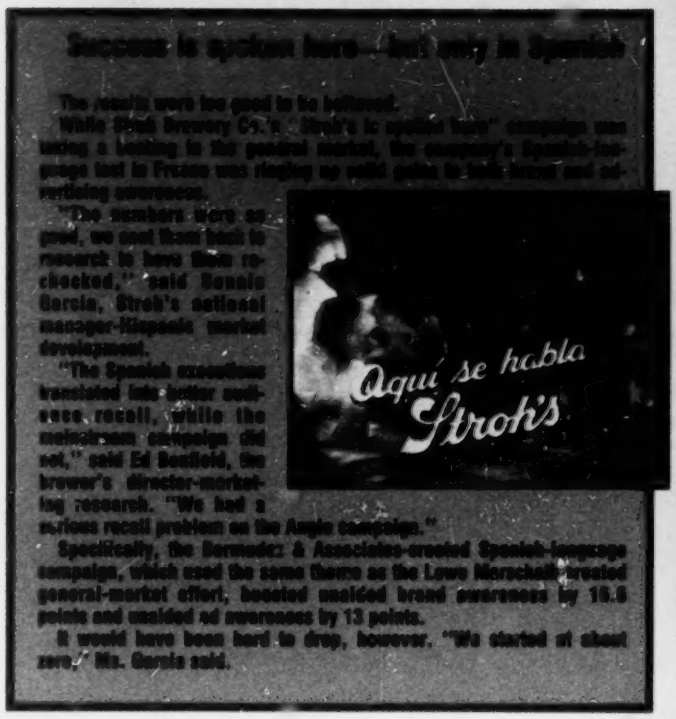
For $25,000, KMEX sponsors receive four 30-second spots during parade and concert broadcasts, opening and closing billboards, street signage, sampling booths and mentions in promotional TV, radio and print ads. KVEA is charging $15,000 for sampling sites, stage signage, opening and closing billboards, broadcast spots and a 10-day promotional spot schedule.

KMEX has signed up **Amtrak, California Lottery, Carnation Co.'s** Evaporated milk, **Frito-Lay, Mars Inc.'s** Kudos, **Pacific Bell** and **Pet Inc.'s** Ac'cent, Old El Paso and Underwood ham. KVEA's national sponsors include **AT&T, PepsiCo, Procter & Gamble's** Pringle's and **Standard Brands Paint Co.**

Pepsi is the primary sponsor, said Leticia Garcia, KVEA's manager-advertising and promotions. "They are tying in with the national giveaway of an Oldsmobile and $5,000. The local bottler is going to give away five sets of five prizes."

■ **Galavision, Univisa's** cable service, broke a new campaign this month to help affiliates boost subscriptions. "It's much slicker, more complete," said Maite Saralegui, director-PR and advertising.

Created in-house, the effort includes print ad slicks, transit and outdoor boards, premium items and point-of-purchase materials that affiliates can customize, and is supported by a national radio campaign.



MARKET TOUR

FRESNO PASSES THE MARKET TEST

Tucked far away from other major Hispanic markets in the center of California, Fresno is finding that isolation is putting it on the map as a major Hispanic test market.

"Fresno really is emerging as a test market," said Isaac Lasky, VP-Hispanic marketing, W.B. Doner & Co, which is using Fresno to test the Mexican-oriented version of Campbell Soup Co.'s Casera product line through its Vlasic Foods subsidiary.

The primary reason is "There's really no impact from other Spanish-language media markets," Mr. Lasky said.

Fresno also skews demographically toward middle America in both the Spanish and general markets. Fresno's 410,300 Hispanics represent national Hispanic education, employment and assimilation levels, said Ray Carrasco, general manager of local KFTV-TV. The market also has an unusually strong retail and business presence for an agricultural market.

In sum, the things that make it a good general test market make it a good Spanish test market.

This thinking has not been lost on KFTV, which created a trade campaign that featured the headline, "Fresno: the great test market."

Fresno's role as a test market has been a business boon. "Before, it didn't amount to anything, and now it's a significant factor for the station," Mr. Carrasco said.

KFTV accommodates test programs by creating merchandising tie-ins with local retailers. The station cooked up an idea for the Casera test, building a studio kitchen and producing a half-hour show that it may syndicate nationally.

Fresno's biggest drawing card may be its affordability. "It gives marketers an opportunity to test at about half the usual price," Mr. Carrasco said. "Media costs run about 40% of the cost of Miami," another popular test market.

Charlie Walsh, senior account exec at Bermudez & Associates, Beverly Hills, Calif., selected Fresno to test Stroh Brewery Co.'s Stroh's beer.

"I don't have anything to say that's not good in terms of your basic advertiser who wants to test any number of product categories," he said.

But a marketer should look at the product carefully to make certain it is testing the segment it wants.

"Fresno is atypical of larger California Hispanic markets in that there's not as great a dependency on Spanish," Mr. Walsh said. "If you look at the phone book, the preponderance of Hispanic surnames is amazing, but they could be third generation. It's more like a Texas market than a California market."

According to Strategy Research Corp., Miami, 30.2% of the Fresno Area of Dominant Influence is Hispanic. Of this group, 50% speak Spanish at home, and 13% are bilingual.

"On first glance, it looks like test-market heaven," Mr. Walsh said. "But it can be disconcerting when you have all those Spanish surnames but not a corresponding percentage of Spanish-dominant Hispanics."

Another factor is Mexican-Americans comprise 95% of the local Hispanic market. Although this helps marketers test products and campaigns geared toward that segment —Mexican-Americans account for 57.6% of U.S. Hispanics—Fresno tests may not represent preferences among Cuban-Americans and Puerto Ricans.

Companies may use this to their advantage. Testing in Fresno should allow Campbell to see how Casera, which has a long history in the Caribbean, will be received by Mexican-Americans.

To what degree Fresno's test-market qualities translate into a bigger picture depend on the product category and the targeted Hispanic segment.

Despite his reservations, Mr. Walsh said the Stroh's test achieved its objectives. "Fresno has a lot of positive attributes, and we got a good read," he said. "But I'd certainly look at it closely in the future."

■ Other findings of **Strategy Research Corp.'s** analysis of the **San Antonio** ADI (AA, March 28), show Hispanics total 943,000, or 48.4% of the population—a 6% increase in the number of Hispanics since 1987. The 254,400 Hispanic households represent $4.6 billion in buying power.

Corrections: **Sosa & Associates** handles **Coca-Cola Co.; Univision's** San Antonio affiliate is **KWEX-TV** (AA, March 28, P. 50).

CABALLERO RADIO NETWORK DELIVERS THE HISPANIC MARKET LIKE NOBODY ELSE!

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NUMBERS GAME

DRIVING HOME A POINT ABOUT ADS

Univision has released its full R.L. Polk & Co.-conducted report on "Spanish USA's New Car & Truck Market—1987 Model Year" (AA, Jan. 25).

Hispanics spent $5.6 billion on 1987 cars and trucks, up 7.7% from the 1986 model year.

All domestic car makes—with the exception of Ford division, which rose a respectable 1.2 share points—suffered share losses from 1986 to 1987. Ford has been the only domestic nameplate to carry a consistent Spanish-language network TV schedule from year to year.

Buick division dropped its campaign about a year ago and fell off the Top 10 list. Chevrolet division's last network buy ended in December 1986; it tumbled 2½ share points. Oldsmobile reduced its activity from network to spot; it lost 2 share points.

The domestic to watch, said Peter Tate, Univision's Detroit-based sales manager, is Lincoln-Mercury division, which is sponsoring "Sabado Gigante" throughout 1988. The division is providing Mexican-built Tracers as giveaway prizes on the network's No. 1 rated show.

Tracking Chevrolet also should provide insight on the advertising-sales correlation. The division returned to the small screen today, launching a schedule on Univision sports and general programming.

The imports kicked in as the domestics stalled. Hyundai cruised to an 8.2% share of the Hispanic car

(Continued on Page 66)

Domestics stall

Share of Hispanic car market

	1987	1986
1. Chevrolet	12.6%	15.1%
2. Ford	12.1	10.9
3. Nissan	9.4	9.6
4. Hyundai	8.2	-
5. Toyota	7.8	6.8
6. Honda	7.6	6.8
7. Pontiac	5.7	6.5
8. Oldsmobile	4.9	6.9
9. Chrysler-Plymouth	4.6	5.4
10. Lincoln-Mercury	3.9	4.0

Source: R.L. Polk & Co.

MARKETING TO HISPANICS

Perspectivas

(Continued from Page 64)

market in its first full model year. Nissan was the only import car in the Top 10 list to decline, losing 0.2 share points.

"I think Toyota stuck it to Nissan by being so aggressive last year," said Philip Wilkinson, Univision's West Coast sales manager. "Nissan is doing some dealer group advertising, but it's minimal, while Toyota continues to expand."

■ The debate continues over how to measure Spanish-language radio audiences, centering on the **Spanish Radio Advisory Council's** recommendations to use telephone surveys. The council, which recently was folded into an **Advertising Research Federation** subcommittee, included client company and ad agency media execs and Spanish-language radio representatives.

Station owners assailed the guidelines, which were based on the findings of a media-funded SRAC pilot study, at a March ARF subcommittee meeting.

"It's like you went through two years of labor to have a child and then they called it a bastard and didn't want to take the baby home," said one SRAC member.

"No one said let's chuck this thing, just that it was based on questionable data," said Mack Tichenor, president, **Tichenor Media Systems**.

A good sign is that the two sides are talking.

Station owners specifically charged that recent reports of higher Hispanic phone ownership are based on faulty U.S. Census data.

The owners also say those who do not have phones are less acculturated, more Spanish-language dominant and bigger consumers of Spanish-language media.

"If 30% don't own phones and are spread evenly over all kinds of Hispanics, it wouldn't bother us. But we suspect those who don't have phones have similar demographics and listening habits, which would distort the findings," said Herb Levin, senior VP, **WADO-AM**.

"SRAC research demonstrates that the phone does not get different kinds of people, it gets different results," countered Abbott Wool, senior VP-media director, **Cadwell Davis Partners**, and SRAC's former chairman.

The station owners said the SRAC study resampled too few people to effectively compare methodologies.

"It was large enough to act as a directional guide," said Monica Roslow, director-research, **Conill Advertising**.

The train is leaving the station on May 4 and all would-be citizens had better be on board, advises a recent INS ad.

The follow-up contact indicated a clear discrepancy, but it did not determine which listening level was accurate.

Because some respondents said they were of Puerto Rican origin when interviewed in person and later admitted to being Mexican when resampled via telephone, the SRAC suggested that phone responses tend to be more truthful.

Mr. Tichenor said a question on radio habits could not be compared with one on origin that has legal implications.

"If phone ownership is 80% and those with unlisted phones mirror those with listed numbers and research shows people tell the truth over the phone but not in person, I'll say they're right. But I'm not prepared to do that yet," he said.

Those favoring the phone knock door-to-door as having an interviewer bias, lack of control and density sampling problems. "These things argue against it," said Betty Ann Morse, VP-media research director, **D'Arcy Masius Benton & Bowles**.

Katz Hispanic Radio compared recent New York radio market surveys and found that in-home-generated cumulative audience levels were 493% and 655% higher than diary and phone-generated levels, respectively.

Numbers like these have made agencies very uncomfortable with the door-to-door survey. But they also rap the other studies.

Tina Williamson, **GSD&M's** senior VP, associate media director, who said she is not using the door-to-door results, calls the other methodologies erratic. "The bottom line is there is not a believable Spanish radio ratings service today," she said.

Mr. Levin said the New York in-home numbers are believable.

"In a market of 1.8 million Hispanics, it's not hard to believe that 70% are Spanish-dominant and that 70% of them listen to Spanish radio."

Spanish radio executives aren't unilaterally opposed to the findings. Despite having some doubts over the methodology, Eduardo Caballero, president of **Caballero Spanish Media**, said, "We're taking a big chance by telling people representing **Procter & Gamble Co., Bristol-Myers** and **McDonald's Corp.** that we don't agree with their recommendations. The methodology has to be right first for the client."

Meg Bernot, VP, media director, **Publicidad Siboney**, said she thought the stations would not pursue research that agencies will not accept. "Although we used to think phone-based studies would create problems, based on the pilot study and proprietary studies we feel comfortable with them now."

The approved methodology will become the standard, and all parties are espousing a cautious approach. "If we're going to pay for it and be bound by it, we have every right to ask these questions," Mr. Levin said, a stance no one faults.

The SRAC suggested a door-to-door component be included in any final methodology to answer some of the lingering questions.

"The mixed does have some appeal. But there has got to be acceptance on both sides," Mr. Tichenor said.

■ Illegal aliens have less than two weeks to apply for citizenship under the amnesty program, and Greg Leo, director of congressional and public affairs, **Immigration and Naturalization Service**, says the department's ad effort is closing strong.

The campaign's second phase, which started Jan. 15, has brought everything together at the local level, he said. Supporting a national Spanish-language TV and radio ad effort, created by **La Agencia de Orci & Asociados** and tagged "Don't get left behind," INS offices created local outreach programs to spread the word that the program was ending.

Mr. Leo said he will not know if the INS reached its goal of 2 million applications until the program ends; about 1.5 million applications had been received as of early last week.

"We hit a trough around Christmas. But week by week, the numbers of applications are picking up dramatically," he said.

ON THE AIR

■ **KVEA-TV**, Glendale, Calif., has developed an "Oprah"-like one-hour talk show called "Cara a Cara" and hosted by news anchor Maria Laria.

"Focus groups indicated that people wanted to see a forum-style program they could participate in," said Bruce Burke, PR coordinator.

The show will appear on **Telemundo Group** stations in Houston, San Francisco and San Diego; it will air at noon daily, bumping Telemundo's "Dia a Dia" to 5 p.m.

Telemundo is being more flexible in scheduling, having tried and discarded programming blocks that pushed West Coast programming out of traditional time slots. "They did best when they counterprogrammed their movie against our novela," said Danny Villanueva, **KMEX-TV** general manager.

"We moved 'Dia a Dia' because it seemed like a good counterprogramming move and a good news lead-in," said Don Raider, Telemundo's exec VP-chief operating officer. "We're checkerboarding primarily music and variety shows in New York and Miami and returning the movie to West Coast stations in the time slot that worked best for them."

The experimentation was caused in part by a paucity of movies. That should change shortly as the network just made a deal with **Madera Films**, and is close to signing another with an unnamed supplier.

The network also signed a deal for two *novela* projects with **Televisa**—the programming arm of **Univisa**, **Univision's** former parent company—and has held discussions with **Barry & Enright/Paloma** for game shows and possibly two comedy strips.

"The suppliers are coming out of the woodwork," Mr. Raider said.

■ **Univision** does its Bert Parks' impersonation, following its April 17 airing of the Miss Venezuela beauty pageant with Miss South America on May 22.

The network also introduced two new Mexican-produced sitcoms. "El Doctor Candido Perez" and "Tres Generaciones" are airing at 10:30 p.m. (ET) on Mondays and Fridays, respectively.

Univision's election coverage, "Destino '88," continues with primary contest analysis through June 7—including a pre-primary poll of the crucial June California primary; live coverage of both party conventions, and election night coverage. "Temas y Debates," the network's public affairs program, is featuring seven election-year segments. "Power of the Hispanic Vote," a 30-minute special, also is planned.

A second **Teresa Rodriguez** special, analyzing acculturation of U.S. Hispanics, will air on May 14.

■ Save the hoorays for Hollywood. Initial attempts by the major networks to tap into the Spanish-speaking audiences seem to have faltered.

ABC canned "Juarez," a one-hour drama series created by **Columbia Pictures Television**, before it aired. **CBS** followed suit, pulling "Trial and Error," another Columbia Pictures project after a few episodes.

"Trial and Error," simulcast on Spanish-language radio stations in Los Angeles, Chicago, Houston and San Antonio, never cleared in Miami or New York because CBS insisted stations carry English-language spots.

PRODUCT AND ACCOUNT ACTIVITY

Polaroid Corp., Cambridge, Mass., is about to heighten its exposure in the Hispanic market.

After conducting a flurry of focus groups, the company is ready to "run before we walk," said Fil Fernandez, marketing program manager-Hispanic marketing. "Rather than spend endless months devising a marketing plan, we decided we had better implement things.

"Our main intent is to reintroduce Polaroid to them because many are not aware of the new technology," he says. "Ideally we want every Hispanic to hold a Polaroid and see the difference in quality."

Polaroid has joined with **Procter & Gamble's** Pampers in a "cutest baby" promotion, where each parent receives a Polaroid proof. It also will sponsor a segment on **Univision's** "Sabado Gigante," beginning in the third quarter. An element of the sponsorship involves a sweepstakes campaign—featuring a grand prize trip to Spain—where families enter by submitting Polaroid photos.

Polaroid will use both the baby promotion and "Sabado" sweepstakes to build a database and begin-direct mail efforts. Spanish-language brochures and point of purchase materials also will be placed at retail.

An image-oriented TV campaign focusing on the quality and benefits of instant photography is scheduled to break this summer. A print component will be placed in ***Hispanic Business*** and ***Vista*** magazines. **Conill Advertising**, New York, is Polaroid's Hispanic agency.

The company sees the Hispanic market as a strong source of continuing film and accessory sales. "It's a beautiful market for us. Hispanics take more pictures because of larger families, family unity and more celebrations and holidays," Mr. Fernandez said. "They also really respond to the product's simplicity and instant gratification."

■ **E&J Gallo Winery**, Modesto, Calif., is testing two commercials for its Bartles & Jaymes coolers in a limited number of markets as part of a pilot project. "It is premature to say we're introducing the product to the national market," said a company source. **Marti, Flores, Prieto & Wachtel**, San Juan, Puerto Rico, handles.

■ **S.C. Johnson & Son**, Racine, Wis., is bringing Future floor wax into the Miami market in what is being called a "mini-rollout." Effort is backed by TV, radio and promotions created by **San Jose & Associates**, Chicago.

■ **G. Heileman Brewing Co.**, La Crosse, Wis., which is moving to shore up its regional brands, has assigned Hispanic marketing responsibility for Lone Star Beer to **Montemayor & Asociados**, San Antonio. A radio and outdoor campaign breaks this week in Corpus Christi, San Antonio and the Rio Grande Valley.

■ **AVCO Finance,** Irvine, Calif., named **The Hispanic Group,** Culver City, its first Hispanic agency. Concentrating first on Southern California, the effort will involve direct mail and broadcast ads.

■ Roundup: **Pace Foods** named **Marketing Mercadeo** its first Hispanic agency of record for its picante sauce; **Toyota Motor Sales USA** to **Conill Advertising** as first Hispanic agency of record (AA, April 11). **Fantastic Sam's** assignment to **La Agencia de Orci** (AA, April 18).

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Staff photo by Mary Hanley

Agency and client executives toast Leo Burnett Co.'s selection as ADVERTISING AGE Agency of the Year. Pictured are (from l.) Ted Bell, president, Leo Burnett USA; Roy Bergold Jr., VP-advertising, McDonald's Corp.; Robert Nolan, vice chairman, Leo Burnett USA; Richard Fizdale, president, Leo Burnett Co.; Jack Smith, vice chairman, Leo Burnett Co.; John Ruhaak, VP-advertising, United Airlines; Jack Kraft, vice chairman, Leo Burnett Co.; and Charles Pierce, associate advertising manager, Procter & Gamble Co.

Burnett stars again

By SCOTT HUME

CHICAGO—Recently a panel of creative directors here was asked what they were seeing that they thought encouraging.

"The work and the creative ferment at Leo Burnett," said Tatham-Laird & Kudner Senior Partner Neil Vanover. "It's surprising to see how much life there can be at an agency that old, that big and with clients that large."

Others on the panel echoed the sentiment, suggesting that Burnett's example meant there was no excuse for any other agency not to produce great work.

It was a surprising consensus, even here, where Leo Burnett USA's $1.55 billion in 1987 billings—three times that of the next largest shop—commands enormous respect.

But here and elsewhere, respect for Burnett's financial success hasn't always been accompanied by equal respect for its creative product.

That changed last year, and the editors of ADVERTISING AGE have recognized the change by naming Leo Burnett Co. as Agency of the Year for 1987, its second such honor.

The agency received the award April 26 at the AD AGE Awards Dinner at the Chicago Hilton & Towers.

The awards gala, hosted by comedian Jay Leno, also featured winners of best ads in various media, AA's Star Presenter award, best ad music awards, best sales-promotion agency award and the announcement of the

(Continued on Page 38)

Other winners:

Michael Fox Star Presenter. P. 48
Promo power wins for two. P. 52
Media: print, radio, TV. P. 56, 58
Best music rings bell. P. 58

Ad Tax II: Fight moves to Louisiana

By STEVEN W. COLFORD

The ad-tax fight is back, only this time it's in Louisiana.

New legislation introduced in the state resembles the ill-fated Florida tax and could affect national advertising.

Although the bill isn't given good odds for passing, advertising industry groups already have organized opposing forces in the state (AA, April 25).

The proposed legislation would tax creative services as well as media placement and, according to a preliminary analysis by a veteran Baton Rouge lobbyist, would try to tax both national and in-state advertising.

C.J. Blache, the lobbyist, said national advertising would be affected because of the bill's reference to a "state sales and use tax on the service of furnishing advertising services, space or time."

A sales tax would apply to in-state advertising, sources say, but a use tax could be applied to advertising originat-

(Continued on Page 101)

Last Minute News

Lintas buys Muir, frustrates Sorrell

NEW YORK—Muir Cornelius Moore has agreed to be bought by Interpublic Group of Cos.' Lintas:Worldwide. It was one of three big independent sales-promotion shops bought by major agencies last week. The Lintas acquisition appeared to be a big disappointment to WPP Group Chief Executive Martin Sorrell, who reportedly sought the $80 million agency because it handles sales promotion for IBM Corp. William Muir, chairman-ceo of MCM, said he decided to accept Interpublic's offer because "they looked on this as more than a financial deal. We look at this as quality going to quality." He added that Interpublic executives were accessible, as opposed to dealing with "someone calling from over Albania in a plane." In other moves, Saatchi & Saatchi Co., London, agreed to buy Creative Displays, Chicago, for a price that could go as high as $7 million. Ketchum Communications, Pittsburgh, acquired William A. Robinson Inc., Northbrook, Ill.

Lord Einstein, O'Rielly talk

NEW YORK—Lord Einstein O'Neill & Partners is talking to Curvin O'Rielly about working on its new Saab-Scania of America account. Mr. O'Rielly recently left O'Rielly O'Brien Clow/RSCG, where he was partner-creative director. He also had worked on the Saab account at pre-

(Continued on Page 8)

Where's the boom?

Ad spending limps along

An Advertising Age roundup

This was the year ad spending was supposed to soar, right? The Olympics and presidential elections would offset concerns about the economy, right?

Not so far.

Expectations for 1988 have been blindsided up to now

Newspaper meeting hears bad news and good—P. 101

by a drastic shortfall in political ad spending, uncertainty in the retail market and changes in banking and on Wall Street. The pessimists have picked up speed.

Characterizing overall ad spending as "a shade disappointing," Charles Crane, a Prudential-Bache Securities analyst, nevertheless believes "it's still early to be making major adjustments in forecasts. The second quarter will

(Continued on Page 100)

Ford sticks to JWT

Agency has friends in Mexico

By RAYMOND SERAFIN

In what one agency official called a "cliff-hanger," J. Walter Thompson Co. beat off the latest threat to its $5 million-to-$7 million Ford Motor Co. Mexican business last week and now may be in a position to gain some new Ford work in the Asia-Pacific region.

Panamericana/Ogilvy & Mather and Young & Rubicam also pitched for the account, but Doug McClure, Ford corporate advertising and marketing strategy director, said the decision was based on a recommendation by local management.

"Everyone presented well," said William Power, chairman-ceo of Y&R, Detroit, and worldwide director for the agency's Ford accounts. "It's tough when you go into a review where the local management is content with the incumbent. That means you have to win by a knockout."

Patterson moves into ceo post at JWT USA—P. 99

The decision in Mexico ends one of the toughest fights for a major account there in recent years. It took place with every party knowing that in three reviews for Ford Latin American business in recent months, JWT lost the Venezuela and Brazilian business and kept the Argentine account.

One former senior Ford executive in Mexico said the local Ford management was happy with JWT but reviewed others' work on orders from Detroit.

Mr. McClure indicated Ford is considering an agency review in Australia, New Zealand and Taiwan. Taiwan is handled by locally based United Advertising Co.; Australia and New Zealand are handled by DDB Needham Worldwide.

In that context, the realignment of

(Continued on Page 99)

K/D/P siphons talent from Levine agency to boost N.Y. office

By JON LAFAYETTE

NEW YORK—An award-winning creative team hired away from Levine, Huntley, Schmidt & Beaver will spearhead Los Angeles-based Keye/Donna/Pearlstein's New York invasion.

Tod Seisser, 30, and Jay Taub, 37, senior VPs-creative directors at Levine Huntley, will join K/D/P here on May 16 as vice chairmen-creative directors.

K/D/P has maintained a service office here for its Suzuki of America Automotive Corp. account. The new full-service office, whose location hasn't been decided, will handle creative and media assignments from Suzuki dealer groups and handle the agency's network TV buying in addition to seeking new business. Those assignments will carry total billings of more than $10 million, K/D/P said.

The 19-year-old, $80 million agency becomes the third major West Coast shop to journey East in recent years, following in the footsteps of Chiat/Day, Venice, Calif., and Hal Riney & Partners, San Francisco.

President-CEO Leonard Pearlstein said he planned to spend half his time in the New York office and expected Chairman Paul Keye also to spend a good amount of time here. Mr. Pearlstein plans to send some Los Angeles staffers to New York immediately to help set up shop. The agency will also be seeking a key account-service executive.

Mr. Pearlstein said K/D/P didn't need to open a New York office. "It was a matter of opportunity," he said. "As competitive as New York can be, and as difficult as it can be, there is still a shortage of terrific work, and we know how to do some of that."

Allan Beaver, Levine Huntley vice chairman-director of creative services, said he expected to hire replacements for Messrs. Seisser and Taub in the next few weeks. "I wish them well," Mr. Beaver said. "You can't keep good people forever."

Messrs. Seisser and Taub joined Levine Huntley in 1983 from Della Femina, Travisano & Partners. At Levine Huntley, they created campaigns for Citizen Watch Co. of America, Guinness Import Co.'s Kronenbourg beer, Maidenform and Seagram Chateau & Estate Wines' Perrier-Jouet champagne.

"The past five years have been incredibly productive for Tod and me," Mr. Taub said. "The people we worked with made our jobs tremendously special. I'm going to miss them very much."

Highlights

NEWS

6 IRI rolls new medium
Information Resources Inc. is mounting a marketing challenge with shopping-cart video screens.

12 Coming soon to a TV near you
ACTV is putting the finishing touches on interactive television.

24 Polybags may get wrapped up
Advertisers' piggyback rides inside plastic magazine wrappers may be over soon.

26 Chrysler rolls with Maserati
Chrysler Motors is borrowing some luster from the Maserati name.

77 Coke takes to rock
Coca-Cola Co., rebounding from its recent 3-D flop, is hooking up with Atlantic Records for an all-star concert.

78 Grapevine swings to Post
Those toe-tapping California Raisins will be doing a number for General Foods Corp.'s Post Natural Raisin Bran.

79 Tobacco marketing under spotlight
Capitol Hill will look into allegedly deceptive ad practices by tobacco marketers.

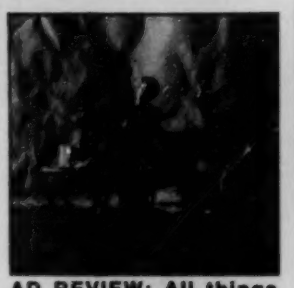
80 Hillman opens eyecare chain
Bob Hillman, co-founder of Eyelab and Pearle Vision Centers, is in the eyecare business again.

81 Regional brews get new fizz
Heileman's Australian owners are revamping advertising for the brewery's many regional brands.

88 Scotch ads with a twist
Marketers of Scotch whisky, long the drink for the graying, pin-stripe set, are hoping for a new trend.

93 Eastern flies through crisis
Eastern Air Lines' crisis ad campaign is getting high marks in the wake of the federal investigation of the carrier's operations.

99 Times are changing for JWT
J. Walter Thompson USA is headed for changes under James Patterson, its new ceo.



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Ceo 'super group' meets

Leadership clout

By STEVEN W. COLFORD

A small group of key industry officials are intent on forming a "ceos-only" group to wield their collective clout against government attacks on advertising.

The new, controversial Leadership Council on Advertising Issues, which met for the first time last week in Boca Raton, Fla., shows no sign of backing off in the face of questioning from other industry groups.

K. Roman

R. Brack

The leading doubters, the three ad industry associations, are forming a parallel "super group," the Council for Commercial Freedom, with the same goals.

In Florida, the top corporate executives involved with the Leadership Council developed a sweeping charter to combat ad bans, ad taxes and other threats to advertising.

The Leadership Council will "outline strategy and mobilize all appropriate resources necessary to affect any advertising issue of principle at all levels of government."

The names attached to the Leadership Council mission statement were those of Ogilvy Group Vice Chairman Ken Roman, Time Inc. Magazine Group President Reginald Brack and General Foods Corp. Chairman-CEO Philip Smith.

About two dozen people are estimated to have attended the Florida meeting; the group included top executives from American Express Co., Leo Burnett Co., Mars Inc. and Jos. E. Seagram & Sons.

Procter & Gamble Co. Chairman John Smale, an early supporter of the Leadership Council, wasn't present, meeting participants said, nor was any other P&G executive.

The turnout was less than some insiders had expected, and there was speculation that attendance had been dampened by news stories highlighting the involvement of tobacco giant Philip Morris Cos. and the chilly reaction to the Leadership Council by other ad industry association executives.

One attendee said the Leadership Council "seems to have a strong strategic thrust and power behind it that the others don't—ceos."

Ad taxes and bans were priority concerns at the meeting, said attendees, who agreed to speak on condition of anonymity.

But the group also discussed the fear that Congress might examine the tax deductibility of ad costs.

The Leadership Council does have its detractors.

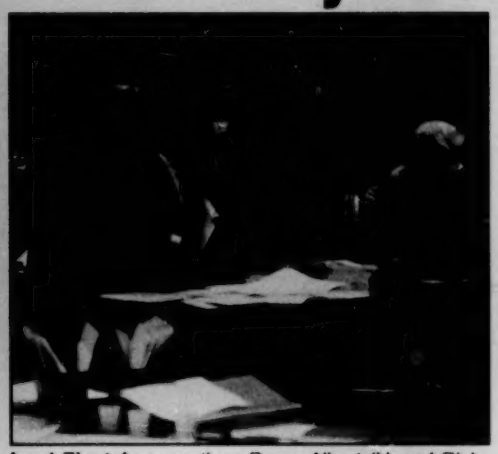
"We'll have to wait and see if there's enough room [for two councils]," said American Advertising Federation President Howard Bell.

Association of National Advertisers President DeWitt Helm Jr. said, "Only time will tell if there is duplication, but in my judgment the answer to that is yes."

Photo by Doug Goodman

Charges fly

Testimony cites pressure by Sorrell



Lord Einstein executives Bruce Albert (l.) and Richard Lord confer outside Judge Herman Cahn's court while lawyers from all sides listen intently after last week's session.

By JON LAFAYETTE and GARY LEVIN

NEW YORK—WPP Group Chief Executive Martin Sorrell undermined Lord, Geller, Federico, Einstein by alienating staffers and, indirectly, clients, including IBM Corp., witnesses testified last week.

Defense witnesses in a suit brought by WPP against former Lord Geller executives said last week that Mr. Sorrell's relationship with former Lord Geller Chairman-CEO Richard Lord caused great concern at IBM, by far the agency's most important client.

Those testifying also said Mr. Sorrell's threats to close Lord Geller helped drive some employees to Lord Einstein O'Neill & Partners, the new agency formed by Mr. Lord and five associates who broke away.

Mr. Sorrell is expected to testify this week or next. He earlier gave a deposition to attorneys in the case.

On cross-examination, witnesses refused to support WPP's contentions that client and employees and been solicited before the breakaway. Lord Einstein executives also disputed the allegation that they conspired to hurt LGFE.

The proceedings before acting New York state Supreme Court Judge Herman Cahn will determine the limits of a temporary injunction requested by WPP in advance of a jury trial.

That injunction now prohibits Lord Einstein from accepting more business from past or current Lord Geller clients, and WPP is asking that it be extended. Lord Einstein's lawyers and one client acknowledged that the order is hurting.

"There may come a time when we'll ask the judge to lift the stay," said Thomas Schwarz of Skadden, Arps, Slate, Meagher & Flom. The stay "serves no purpose because [the

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Lost: 150 agency jobs at 10 largest U.S. shops

By JON LAFAYETTE and GARY LEVIN

There's no sign of relief in the big squeeze on jobs at the nation's largest ad agencies.

Seven of the 10 largest U.S. agency employers trimmed a combined 504 positions last fall and winter, according to an ADVERTISING AGE survey of employment trends.

The total jobs increase reported by the other three agencies—Leo Burnett USA; Foote, Cone & Belding; and McCann-Erickson Worldwide—was 354.

The changes represent the effects of won and lost accounts; the closing, purchase or sale of offices; and the trend toward leaner staffing.

The pace of job cutbacks slowed to a net drop of 150 positions in the fall-winter period compared with a decline of 1,041 posts in the first three quarters of 1987.

Kenneth Olshan, chairman of Wells, Rich, Greene/Worldwide, said he doesn't think agency employment will expand for quite a while.

JOB WATCH

Focus on Minneapolis-Page 80

"It's all in the hands of the clients," Mr. Olshan said. "A lot depends on the billings and the commission rate."

Saatchi & Saatchi DFS reported only minor job cuts but faces the prospect of about 100 layoffs following the loss of $80 million in Nabisco Brands billings. Agency President Peter McSpadden said he sees the pressure on job rolls continuing.

"Ad spending's not growing while salaries and overhead are," he said. "Everybody's trimmed down."

Even "optimists" are guarded.

At D'Arcy Masius Benton & Bowles, where more than 50 positions were trimmed last fall and winter, Chairman-CEO John Bowen said the downward jobs spiral "may have reached a bottom."

The ratio of employees to revenue is low, he said, adding, "I don't see the ratio going up, but it can't get much lower."

DMB&B is hiring this spring, Mr.

(Continued on Page 97)

Who's tightening up staff

The advertising job count in the U.S. at the top 10 ad agencies—measured by employment—totaled 21,058 in March, down 150 positions, or 0.7%, from last November. McCann-Erickson joined the list; DDB Needham Worldwide dropped off. *Source*: The agencies cited.

	March '88 (except where noted)	Nov. '87	% chg
Young & Rubicam[1]	3,050	3,100	−1.6%
Foote, Cone & Belding	2,744	2,636*	+4.1%
Ogilvy & Mather U.S.[2]	2,398	2,451*	−2.2%
Leo Burnett USA	2,035	1,901	+7%
Grey Advertising	2,009	2,165	−7.2%
J. Walter Thompson USA	1,902	2,080	−8.6%
McCann-Erickson	1,765	1,653	+6.8%
Bozell, Jacobs, Kenyon & Eckhardt	1,758**	1,764	−0.3%
Saatchi & Saatchi DFS	1,700	1,705	−0.3%
D'Arcy Masius Benton & Bowles	1,697	1,753	−3.2%

Employment totals reflect advertising and advertising support jobs at general agencies plus direct-marketing units and sales promotion units. Positions at PR/corporate communications, Yellow Pages and recruitment subsidiaries are excluded.

[1] Excludes joint ventures.

[2] The O&M U.S. Oct. 1, 1987, results are restated from those originally reported (AA, Nov. 16).

* As of 10/1/87 ** As of 2/1/88

Food marketers find good things come in new packaging

By JULIE LIESSE ERICKSON

Sometimes it's neither the sizzle nor the steak that sells—it's the packaging.

Food marketers are discovering that innovative new packaging can not only boost product sales by appealing to consumers but can do away with the need for paying store slotting allowances by also capturing retailers' interest.

Significantly, some marketers have decided against passing along the cost of packaging "gimmickry" to consumers, but to write it off as part of marketing and promotional expenses.

"With advertising getting more expensive and shelf space scarce, you can get a lot for the buck out of a packaging change like this," said Richard Gerstman, of Gerstman & Meyers, a New York-based package designer. "One package can offer a competitive

(Continued on Page 101)

Resealable packages are better than slotting allowances for some marketers.

World News Roundup

RIJSWIJK, NETHERLANDS—Soviet TV station Moscow 1 began a trial broadcast to 23,000 cable subscribers here. The Russian-language channel features ballet and nature films.

MADRID—The Spanish Association of the Blind's lottery picked Alas/Bates for its estimated $10 million account. Contrapunto previously handled.

LONDON—British Rail picked Lowe Howard-Spink here for a new $7 million corporate image campaign.

SYDNEY—A 20% sales tax on all radio and TV commercial productions in Australia will be imposed starting June 1, despite the Advertising Federation of Australia's many efforts to prevent the tax.

LONDON—Robert Maxwell's Bishops Gate Investment Trust, a subsidiary of Maxwell Communication Corp., made its first investment in advertising by buying Ogilvy & Mather's 4.8% stake in Davidson Pearce here.

LUXEMBOURG—The European Court of Justice here ordered the Dutch government to lift "discriminating" restrictions on advertising messages aimed at Dutch consumers via English-language satellite broadcasters such as Sky Channel.

BUENOS AIRES—A ban on cross-media ownership may be lifted if the Congress agrees. The bill also provides for privatizing two state-owned TV channels and two radio stations.

Curtis pushes Finesse with $50M restage

By LAURIE FREEMAN

Helene Curtis Industries today reintroduces its 6-year-old Finesse haircare line with an estimated $50 million print, TV and promotional campaign—the largest product restaging in its history.

The budget surpasses the $14 million in advertising and $26 million in promotion Curtis spent last year to introduce Salon Selectives, a salon-style haircare line (AA, March 23, 1987).

The Finesse restaging is aimed at improving the company's leadership position in the highly competitive, mature $3.96 billion category. Curtis is the No. 2 haircare marketer, with a 13.8% share of the shampoo segment and a 23% conditioner share.

Procter & Gamble Co. has 29% of the shampoo market and 16% of conditioners, said Diana Temple, analyst with Salomon Bros.

Saatchi & Saatchi DFS Compton, New York, is handling the two-part Finesse campaign.

The introductory TV effort, breaking tonight, is meant to draw attention to product improvements; the second part, starting five weeks from now, will be more image-

(Continued on Page 101)